

CRESTWORTH LEARNING ACADEMY, INC.

FINANCIAL REPORT

JUNE 30, 2012

Roslyn J. Johnson, LLC
Certified Public Accountant

CRESTWORTH LEARNING ACADEMY, INC.

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CRESTWORTH LEARNING ACADEMY, INC.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Crestworth Learning Academy, Inc.
Baton Rouge, Louisiana

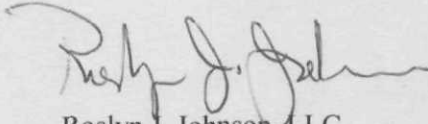
I have audited the accompanying statement of financial position of **Crestworth Learning Academy, Inc., (the School)**, a nonprofit corporation, as of June 30, 2012, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of **the School's** management. My responsibility is to express opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **the School** as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that **the School** will continue as a going concern. As shown in the accompanying financial statements and described more fully in Notes 13 and 14 of the financial statements, **the School** incurred a net asset decrease of \$344,833 during the year ended June 30, 2012, and, as of that date, current liabilities exceeded current assets by \$98,175 and cumulative net asset deficiency of \$78,844. Those conditions raise substantial doubt about **the School's** ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with *Government Auditing Standards*, I have also issued my report dated May 23, 2013, on my consideration of **the School's** internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.



Roslyn J. Johnson, LLC
Certified Public Accountant
May 23, 2013

Statement A

CRESTWORTH LEARNING ACADEMY, INC.
Baton Rouge, Louisiana

Statement of Financial Position
June 30, 2012

ASSETS**Current Assets**

Cash in bank	\$ 64,825
Accounts receivable	16,694
Grants receivable (note 3)	62,701
Security deposit	11,617
Total current assets	<u>155,837</u>

Capital Assets:

Property and equipment, net of accumulated depreciation and amortization (note 4)	<u>19,331</u>
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TOTAL ASSETS	<u><u>\$ 175,168</u></u>
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LIABILITIES**Current Liabilities**

Accounts payable	\$ 90,849
Payroll and payroll taxes payable	138,870
Due to grantors	24,293
Total Current Liabilities	<u>254,012</u>

NET ASSETS

Unrestricted net assets	<u>(78,844)</u>
Total Net Assets	<u>(78,844)</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 175,168</u></u>
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The accompanying notes to the financial statements are an integral part of these statements.

Statement B**CRESTWORTH LEARNING ACADEMY, INC.
Baton Rouge, Louisiana****Statement of Activities
Year Ended June 30, 2012****REVENUES AND OTHER SUPPORT**

Grants:

Federal	\$ 422,554
State Minimum Foundation Program	1,397,339
Local Minimum Foundation Program	1,877,525
State programs	9,795
Other revenue	<u>40,601</u>

TOTAL REVENUE AND OTHER SUPPORT3,747,814**EXPENSES**

Instruction:

Regular programs	1,689,731
Special education programs	219,761
Other instructional programs	2,607
Special programs	<u>195,946</u>

Supporting Services:

Pupil services	129,414
Instructional staff services	127,629
General administration	295,720
School administration	304,441
Business services	311,046
Operation and maintenance of plant services	496,784
Student transportation services	314,558
Food services operations	<u>5,010</u>

TOTAL EXPENSES4,092,647**CHANGE IN NET ASSETS**

(344,833)

NET ASSETS AT BEGINNING OF YEAR, as restated (note 12)265,989**NET ASSETS AT END OF YEAR**\$ (78,844)

The accompanying notes to the financial statements are an integral part of these statements.

CRESTWORTH LEARNING ACADEMY, INC.
Baton Rouge, Louisiana

Statement of Cash Flows
Year Ended June 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (344,833)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities	
Adjustment - Restatement of beginning net assets	185,277
Depreciation	36,017
(Increase) decrease in:	
Accounts receivable	(14,455)
Grants receivable	229,686
Prepaid insurance	37,083
Increase (decrease) in:	
Accounts, payroll, and other payables	(160,508)
Due to grantors	1,871
Due to Student Activity	(71)

Net cash provided (used) by operating activities (29,933)

CASH FLOWS FROM FINANCING ACTIVITIES

Payment on note payable (138,513)

Net cash provided (used) by financing activities (138,513)

Net increase in cash (168,446)

CASH AT BEGINNING OF YEAR 233,271

CASH AT END OF YEAR \$ 64,825

Supplemental Disclosures:

Interest paid \$ -

The accompanying notes to the financial statements are an integral part of these statements.

CRESTWORTH LEARNING ACADEMY, INC.

Notes to the Financial Statements
For the Year Ended June 30, 2012

Note 1 – Summary of Significant Accounting Policies

A. Organization

Crestworth Learning Academy, Inc. (the School) was organized as a non-profit corporation under the laws of the State of Louisiana on January 21, 2009. The corporation is organized exclusively for charitable and educational purposes. **The School's** mission is to create and maintain an orderly, trusting environment where teaching and learning are innovative and exciting, where students are taught to read, write, compute, and think critically according to their fullest potential.

Effective July 1, 2009, **the School** entered into a Charter School Contract with the Louisiana State Board of Elementary Education (BESE) to operate a Type 5 public charter school in the Louisiana Recovery School District (RSD) as defined in LSA R.S. 17:3992 and 3998. The Charter School Contract was granted for an initial term of three years and will terminate on June 30, 2012, unless BESE grants a two-year extension.

In a letter dated May 29, 2012, the Chairman of the Board of Directors informed BESE that the Board voted on May 28, 2012 to allow the Charter Agreement with the RSD and state of Louisiana for the operations of **the School** to terminate on June 30, 2012.

B. Basis of Accounting

CLA prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

C. Financial Statement Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profits Organization*. Under SFAS No. 117, **the School** is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, as applicable.

Unrestricted – Support, revenues, and expenses for the general operation of the School.

Temporarily Restricted – Contributions specifically authorized by the grantor or donor to be used for a certain purpose or to benefit a specific period.

Permanently Restricted – Contributions subject to donor-imposed restrictions and that are to be held in perpetuity by **the School**. Generally, the donors of these assets permit **the School** to use all or part of the income derived from the investment of these contributions.

D. Public Support and Revenue

The School's primary source of funding is through the Minimum Foundation Program (MFP) funded by the state of Louisiana and the East Baton Rouge Parish School Board. **The School** receives \$1,397,339 from the State and \$1,877,525 from the East Baton Rouge Parish School System per eligible student at the official pupil count date of October 1, 2011, payable in monthly installments. State and Federal grants are on a cost reimbursement basis.

E. Cash and Cash Equivalents

For purposes of reporting the statement of cash flows, **the School** considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents.

F. Grants Receivable

The grants receivable are stated at the amount management expects to collect from outstanding balances. The financial statements do not include an estimate for allowance for doubtful accounts. Management believes that all receivables are collectible.

G. Capital Assets

Capital assets, which include property, equipment, and leasehold improvements, are reported at historical cost or estimated cost. Donated assets are recorded at their estimated fair market value at the date of donation. **The School's** policy is to capitalize property and equipment over \$5,000. Repairs and maintenance and small equipment purchases are charged to expense when incurred.

Depreciation expense is recognized using the straight-line method over the estimated useful lives of the assets. Amortization of leasehold improvements is recognized using the straight-line method over the lesser of the useful life of the improvement or the remaining term of the lease at the time the improvement is placed in service.

Depreciation and amortization are being recognized over the following periods:

	<u>Years</u>
Office furniture and equipment	5
Leasehold improvements	3

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. Income Taxes

Income taxes are not provided for in the financial statements since **the School** is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions.

J. Contributions

Contributions are generally recorded only upon receipt, unless evidence or an unconditional promise to give has been received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value for the amounts expected to be collected. Conditional promises to give are not included as support until such time as the conditions are substantially met. All contributions are considered available for unrestricted use unless specifically restricted by the donor. **The School** had no permanently restricted net assets as of the year ended June 30, 2012.

K. Compensated Absences

All twelve (12) month full-time employees earn 12 days of vacation (annual) leave per year. Upon termination, resignation, retirement, entrance into DROP, or death, any unused annual leave shall be paid at the employee's rate of pay at the time of separation.

All employees hired for the school year or longer shall be granted a minimum of ten (10) days of sick leave per year because of personal illness or other emergencies without loss of pay. Such leave, when not used, shall be allowed to accumulate to the credit of the employee without limitation. Upon retirement or death, **the School** shall pay the employee or his/her heirs or assigns, for any unused sick leave, not to exceed twenty-five (25) days. Such pay shall be at the daily rate of pay paid to the employee at the time of his/her retirement or death.

Note 2 – Concentration of Credit Risk

At June 30, 2012, **the School** had bank balances totaling \$64,825 on deposit in financial institutions located in Louisiana. All of the banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2012, **the School** had no uninsured cash balances.

The primary funding sources of **the School** are the Minimum Foundation Program (MFP) funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count and various direct and pass-through grants from federal and state agencies. If the amount of MFP and grants received fall below the expected student count and contract levels, respectively, **the School's** operating results could be adversely affected.

Note 3 – Grants Receivable

As of June 30, 2012, grants receivable consist of amounts due from the following sources:

U. S. Department of Education:	
Title I	\$ 40,352
Title II	4,997
Special Education - IDEA	14,571
EduJobs	<u>2,781</u>
Total Grants Receivable	<u>\$ 62,701</u>

Note 4 – Capital Assets

Capital assets consist of the following at June 30, 2012:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Capital assets, being depreciated and amortized:				
Office furniture and equipment	\$ 19,996	\$ -	\$ -	\$ 19,996
Leasehold improvements	96,049	-	-	96,049
Total capital assets, being depreciated	<u>116,045</u>	<u>-</u>	<u>-</u>	<u>116,045</u>
Less accumulated depreciation and amortization for:				
Office furniture and equipment	2,000	4,000	-	6,000
Leasehold improvements	58,697	32,017	-	90,714
Total accumulated depreciation and amortization	<u>60,697</u>	<u>36,017</u>	<u>-</u>	<u>96,714</u>
Total capital assets, net	<u>\$ 55,348</u>	<u>\$ (36,017)</u>	<u>\$ -</u>	<u>\$ 19,331</u>

Depreciation and amortization expense for the year ended June 30, 2012, totaled \$36,017.

Note 5 – School Facilities

Effective July 1, 2009, **the School** entered into an agreement with the BESE, which allows **the School** to use the school facilities and its contents located at 10650 Avenue F, Baton Rouge, Louisiana 70807. The agreement will expire on June 30, 2012, unless the BESE grants an extension for an additional two years.

Alterations made by **the School** shall not diminish the value of the property at the time the alterations are approved. Any physical additions or improvements to the property will become property of BESE. All assets purchased with public funds obtained from public sources will automatically revert to BESE at the time the charter school agreement is terminated. **The School** must maintain records of all school property in compliance with BESE policy and shall update **the School's** property inventory quarterly.

The School is responsible for repair and replacement of physical property. In addition, **the School** is responsible for and obligated to provide for routine maintenance and repairs such that the facilities and property are maintained in as good condition as when the right of use was acquired, excluding ordinary wears.

Use of the property is not recorded as an in-kind contribution from or related rent expense to BESE. The value of the land and building is not readily determinable. The agreement is classified as an exchange transaction because both parties receive significant value from this arrangement. Accordingly, the present value of the benefit to be received in future years has not been recorded.

Note 6 – Retirement Plan

Substantially all employees of **the School** are members of the Teachers' Retirement System of Louisiana (TRSL). This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan is as follows:

Teachers' Retirement System of Louisiana (TRSL)

Plan Description. The TRSL consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRSL issues a publicly available financial report that includes financial statements and required supplementary information for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Funding Policy. Plan members are required to contribute 8.0% of their annual covered salary. **The School** is required to contribute at an actuarially determined rate. The current rate is 23.7% of annual covered payroll for the year ended June 30, 2012. Member contributions and employer contributions for the TRSL are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. **The School's** contributions to the TRSL for the years ended June 30, 2012, 2011 and 2010, was \$357,857, \$389,990 and \$306,377, respectively, which is substantially equal to the required contributions for each year.

Note 7 – 401(k) Profit Sharing Plan and Trust Plan

Effective April 20, 2012, substantially all employees of **the School** became members of a safe harbor 401(k) Profit Sharing Plan (**the Plan**). Covered employees may elect to contribute a portion of their salaries to **the Plan**. **The School** matching contribution to **the Plan** is 100% of the participant's compensation up to 5% and an additional 3% of the participant's compensation as a safe harbor Cash or Deferred Arrangement (CODA) contributions. **The School** made contributions of \$30,644 to **the Plan** for the year ended June 30, 2012. No contributions were made to **the Plan** in prior years.

Note 8 – Contingencies

CLA is the recipient of grant funds from various federal and state agencies. The grants are governed by various guidelines, regulations, and contractual agreements. The administration of the programs and activities funded by the grants are under the control and administration of **the School** and are subject to audit and/or review by the applicable funding sources. Any grant funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.

Note 9 - Risk Management

CLA is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage for the year ended June 30, 2012.

Note 10 – Minimum Foundation Program (MFP)

The State of Louisiana provides funding which is determined on an annual basis based on the number of pupils enrolled in CLA as of October 1st. This state-funded per pupil allocation is based on the most recently approved Minimum Foundation Program formula resolution. For the year ended June 30, 2012, CLA recognized revenue of \$1,397,339.

The East Baton Rouge Parish School System (EBRPSS) provides funding to the State of Louisiana collected from local agencies, which pass through to CLA as Local MFP. Revenues received by EBRPSS from sales taxes, ad valorem taxes, and other sources are allocated to each school based on its enrollment as of June 30. For the year ended June 30, 2012, CLA recognized revenue of \$1,877,525.

Note 11 - Board of Directors' Compensation

The members of the Board of Directors serve in a voluntary capacity; therefore, no compensation, per diem, or travel allowances were paid to any board member during the year ended June 30, 2012.

Note 12 – Prior Period Adjustment

Beginning net assets balance at June 30, 2011, was restated as follows:

	Amount
Net assets at June 30, 2011, as previously reported	\$ 80,712
To record prior year grant receivable	(22,634)
To adjust prior year revenues	56,624
To adjust prior year expenses	151,287
Net assets at July 1, 2011, as restated	<u>\$ 265,989</u>

Note 13 – Going Concern

As discussed in Note 1, **the School** terminated its charter agreement with the Recovery School District and the state of Louisiana effective June 30, 2012. As a result, after June 30, 2012, no future funds would be received from the state of Louisiana to cover expenses incurred during the year. However, during the year ended June 30, 2012, **the School** incurred a decrease in net assets of \$344,833 and cumulative net asset deficiency of \$78,844, and as of that date **the School's** current liabilities exceeded its current assets by \$98,175. Those factors create an uncertainty about **the School's** ability to continue as a going concern. Management of **the School** is developing a plan to reduce its liabilities through fund raising activities. The financial statements do not include any adjustments that might be necessary if **the School** is unable to continue as a going concern.

Note 14 – Subsequent Events

On August 2, 2012, **the School** received a loan from a local non-profit organization in the amount of \$60,000 to cover a portion of the vacation leave and salaries and related benefits for teachers that selected the option of being paid over eleven (11) months. The costs of payment of the vacation leave, salaries, and related benefits amounted to approximately \$65,000. This loan is unsecured with a 0% interest rate and no repayment terms were established.

In addition, **the School** continues to owe additional amounts for vacation leave and salaries and related benefits to teachers and other staff with an estimated amount of \$57,000. This amount has not recorded on **the School's** financial statements and no adjustments have been made to record such in the accompanying financial statements.

The School is required to evaluate events or transactions that may occur after the statement of financial position date for potential recognition or disclosure in the financial statements. **The School** performed such an evaluation through May 23, 2013, the date which the financial statements were available to be issued.

**INDEPENDENT AUDITOR'S REPORT AND
INFORMATION REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Crestworth Learning Academy, Inc.
Baton Rouge, Louisiana

I have audited the financial statements of **Crestworth Learning Academy, Inc., (the School)**, a nonprofit organization as of and for the year ended June 30, 2012, and have issued my report thereon dated May 23, 2013. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of **the School** is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered **the School's** internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **the School's** internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of **the School's** internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of **the School's** financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

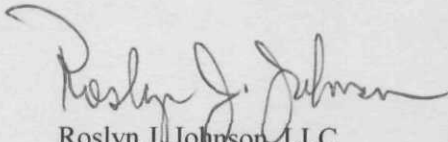
My consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. However, I did identify certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that I consider to be significant deficiencies in internal control over financial reporting as items 2012-01, 2012-02, and 2012-03.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **the School's** financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

The School's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit **the School's** response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of the management, Board of Directors, the Legislative Auditor for the State of Louisiana, state and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Legislative Auditor as a public document.



Roslyn J. Johnson, LLC
Certified Public Accountant
May 23, 2013

CRESTWORTH LEARNING ACADEMY, INC.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2012

Section I - Summary of Auditor's Results

Financial Statement

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency (ies) identified?
- Noncompliance material to financial statements noted?

<u> </u>	Yes	<u> x </u>	No
<u> x </u>	Yes	<u> </u>	No
<u> </u>	Yes	<u> x </u>	No

CRESTWORTH LEARNING ACADEMY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

Section II - Financial Statement Findings

2012-01 Human Resources and Payroll Transactions

Condition:

My examination of the organization's procedures and transactions relating to the payroll function disclosed the following:

- The employee responsible for processing payroll has the ability to add employees, change employee information, enter daily time and attendance for hourly employees, update pay rates, and maintain all supporting payroll documents.
- There was no evidence supporting an independent administrative review of payroll transactions and reports by management.

Criteria:

Internal controls over payroll processing should be designed in such a manner to ensure no one employee handles all these payroll processes. In addition, internal controls relating to human resources and payroll require that specific procedures are in place to ensure that payroll expenses are properly documented and recorded.

Effect:

Increased risk of fraudulent activities may occur with weak internal controls over human resource and payroll transactions.

Cause:

Internal controls over human resources and payroll functions are not designed in such a manner to ensure no one employee performs incompatible functions and payroll transactions are properly documented and recorded.

Recommendation:

Management design internal controls to ensure no one employee performs all these duties and human resources and payroll transactions are properly documented and recorded.

Management's response and corrective action plan:

On several occasions, an independent administrative review of payroll transactions was performed from the preliminary payroll register report generated by the human resource employee. The review was evidenced by 'initial' of the accountant and business manager prior to final payroll run. Apparently, documentation was not provided during the audit process. Payroll transactions were recorded except for the final payroll amounts due after termination of the charter agreement.

Since the charter agreement was terminated and the end of the fiscal year, further corrective action is not applicable.

CRESTWORTH LEARNING ACADEMY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - *CONTINUED*
FOR THE YEAR ENDED JUNE 30, 2012

2012-02 Student Activity Funds

Condition:

My examination of School Activity Fund's management, expenditures, and accounting functions disclosed the following:

- At June 30, 2012, the Student Activity Fund had been charged for \$9,638.20 of disbursements in excess of available funds. The disbursements were not adequately documented and were not reconcilable to **the School's** records. In addition, the amount was subsequently written-off to the General Fund.
- Bank statements were not approved by the Principal or his designee.
- One employee, the Principal's designee for School Activity Fund, receives and counts cash collections, reconciles and accounts for all sale tickets numbers, records and reports transactions, and prepares deposits for the bank.
- There was no evidence of an independent administrative review of School Activity account transactions and reports by management.
- There was no annual report on the School Activity Fund's activities by the Principal or his designee to the Superintendent.

Criteria:

Management internal controls and procedures for School Activity funds did not ensure compliance with LSA-RS 17:414.3, when performing its management, expenditure, and accounting duties related to the School Activity Fund.

Effect:

Management when performing management, expenditure, and accounting duties related to School Activity funds did not comply with LSA-RS 17:414.3.

Cause:

Management internal controls and procedures over the School Activity fund are not designed in such a manner to ensure compliance with LSA -RS 17:414.3.

Recommendation – Management design its internal controls and procedures to ensure compliance with LSA-RS 17:414.3, when performing the management, expenditure, and accounting duties related to the School Activity Fund.

CRESTWORTH LEARNING ACADEMY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONCLUDED
FOR THE YEAR ENDED JUNE 30, 2012

Management's response and corrective action plan:

Management concurs with the findings and recommendations. These and similar comments were reported in the prior audit of **the School** which was dated March 8, 2012, but with only three months remaining in the current fiscal years we had very little time to implement the recommendations. Therefore, the exceptions noted continued for most of the year. In addition, the disbursements in excess of available funds were subsequent written off to the General Fund.

Since the charter agreement was terminated and the end of the fiscal year, further corrective action in any areas noted is not applicable.

2012-03 Late Submission of the Audit Report

Condition:

The audit of the organization's financial statements was not completed and filed with the Office of Legislative Auditor within six months of the close of the organization's fiscal year.

Criteria:

In accordance with LSA-R.S. 24:513A(5)(a) audits shall be submitted within six months of the close of the entity's fiscal year.

Effect:

The audit report was not filed within the time period required by state law.

Cause – The organization's internal controls over the schools financial transactions were not designed in such a manner to ensure compliance with LSA-R. S. 24:513A(5)(a).

Recommendation:

Management should place emphasis on providing audit related data in a timely manner and establish design its internal controls over financial reporting to ensure compliance with LSA-R.S. 24:513(A)(a).

Management's response and corrective action plan:

Late submission of the audit report was due, in part, to numerous closeout functions related to the termination of the charter agreement with the Recovery School District. Since the charter agreement was terminated and the end of the fiscal year, further corrective action is not applicable.

CRESTWORTH LEARNING ACADEMY, INC.
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

Financial Statement Findings

2011-01 Inadequate Controls Over Financial Reporting

Recommendation:

The organization should review its existing controls over financial reporting and adopt and implement policy and procedures that will ensure the safeguarding of the organization's assets, reporting accurate financial data and that personnel comply with policies, procedures and regulations. In addition, the organization should complete its review of the draft "Accounting Policy and Procedures Manual" maintain the general ledger on a timely basis including posting transactions, completing account reconciliations, and preparing monthly financial statements. The organization should develop a written accounting policy manual which includes month-end procedures along with formal approvals and other control procedures. Those in charge of governance should monitor the process to ensure compliance with the policies established.

Current Status – Resolved

2011-02 Human Resources and Payroll Transactions

Recommendation:

Management design internal controls to ensure no one employee performs all these duties and human resources and payroll transactions are properly documented and recorded.

Current Status – Unresolved – See Finding 2012-01

2011-03 Student Activity Funds

Recommendation – Management design its internal controls and procedures to ensure compliance with LSA-RS 17:414.3, when performing the management, expenditure, and accounting duties related to the School Activity Fund.

Current Status – Unresolved – See Finding 2012-02

CRESTWORTH LEARNING ACADEMY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - *CONCLUDED*
FOR THE YEAR ENDED JUNE 30, 2012

2011-04 Late Submission of the Audit Report

Recommendation:

Management should place emphasis on providing audit related data in a timely manner and establish design its internal controls over financial reporting to ensure compliance with LSA-R.S. 24:513(A)(a).

Current Status – Unresolved – See Finding 2012-03

2011-05 Suspension and Debarment

Recommendation:

Management should develop internal control procedures to verify with the EPLS, Excluded Parties Listing, those entities to which they expect to pay \$25,000 or more for goods and services.

Current Status – Resolved

STATE REPORTING SECTION

**Schedules Required by State Law
(R.S. 24:514 Performance and Statistical Data)**

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Crestworth Learning Academy, Inc.
New Orleans, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the **Crestworth Learning Academy, Inc. (the School)**, a nonprofit corporation, and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of **the School** and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education. Management of **the School** is responsible for its performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

My procedures and findings relate to the accompanying schedules of supplementary information and are as follows:

**General Fund Instructional and Support Expenditures and
Certain Local Revenue Sources (Schedule 1)**

1. I selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

- Total General Fund Instructional Expenditures
- Total General Fund Equipment Expenditures
- Total Local Taxation revenue
- Total Local Earnings on Investment in Real Property
- Total State Revenue in Lieu of Taxes
- Nonpublic Textbook Revenue
- Nonpublic Transportation Revenue

Comment: No differences noted.

CRESTWORTH LEARNING ACADEMY, INC.

Independent Accountant's Report on
Agreed-Upon Procedures

Education Levels of Public School Staff (Schedule 2)

2. I reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to **the School** supporting payroll records as of October 1st.

Comment: No differences noted.

3. I reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant per this schedule.

Comment: No differences noted.

4. I obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. I traced each of the teachers to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

Comment: No differences noted.

Number and Type of Public Schools (Schedule 3)

5. I obtained a list of schools by type as reported on the schedule. I compared the list to **the School** and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application. **The School** only operates grades six through eight.

Comment: No differences noted.

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (Schedule 4)

6. I obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Comment: No differences noted.

CRESTWORTH LEARNING ACADEMY, INC.

Independent Accountant's Report on
Agreed-Upon Procedures

Public School Staff Data: Average Salaries (Schedule 5)

7. I obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired status as well as full-time equivalent as reported on the schedule and traced each teacher to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

Comment: No differences noted.

8. I recalculated the average salaries and full-time equivalents reported in the schedule.

Comment: No differences noted.

Class Size Characteristics (Schedule 6)

9. I obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. I then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

Comment: No differences noted.

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

10. I obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by **the School**.

Comment: No differences noted.

Graduation Exit Exam (GEE) (Schedule 8)

11. Because this schedule does not apply to an elementary school, I did not obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by **the School**.

Comment: Not applicable.

iLEAP Tests (Schedule 9)

12. I obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by **the School**.

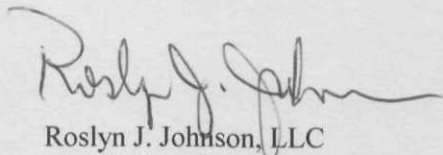
Comment: No differences noted.

CRESTWORTH LEARNING ACADEMY, INC.

Independent Accountant's Report on
Agreed-Upon Procedures

I was not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of **Crestworth Learning Academy, Inc.**, the Louisiana Department of Education, the Louisiana Legislature, and the Louisiana Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Roslyn J. Johnson, LLC
Certified Public Accountant
May 23, 2013

CRESTWORTH LEARNING ACADEMY, INC.
Baton Rouge, Louisiana

Schedules Required by State Law (R.S. 24:514 – Performance and Statistical Data)
As of and for the Year Ended June 30, 2012

Schedule 1 – General Fund Instructional and Support Expenditures and Certain Local Revenue Sources

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments in real property, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

Schedule 2 – Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant's with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 3 – Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 4 – Experience of Public Teachers, Assistant Principals, and Full-time Classroom Teachers

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 5 – Public School Staff Data – Average Salaries

This schedule includes average classroom teachers' salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 6 – Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 7 – Louisiana Educational Assessment Program (LEAP)

This schedule represents student performance testing data and including summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data. **The School** does not operate grade 4; therefore, achievement level results for this grade is not applicable.

(Continued)

CRESTWORTH LEARNING ACADEMY, INC.

Schedules Required by State Law (R.S. 24:514 – Performance
and Statistical Data) - Concluded

As of and for the Year Ended June 30, 2012

Schedule 8 – Graduation Exit Exam

This schedule represents student performance testing data and including summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule does not apply to elementary schools, and therefore, this schedule is not applicable.

Schedule 9 – The IOWA Tests

This schedule represents student performance testing data and including summary score for grades 3, 5, 6, 7 and 9 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data. **The School** does not operate grades 3, 5, and 9; therefore, achievement level results for this grade is not applicable.

CRESTWORTH LEARNING ACADEMY, INC.
Baton Rouge, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2012**

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 1,127,133	
Other Instructional Staff Activities	64,791	
Employee Benefits	454,227	
Purchased Professional and Technical Services	81,606	
Instructional Materials and Supplies	14,325	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	<u>1,742,082</u>	\$ 1,742,082

Other Instructional Activities 5,795

Pupil Support Activities	129,414	
Less: Equipment for Pupil Support Activities	<u>-</u>	
Net Pupil Support Activities		129,414

Instructional Staff Services	92,983	
Less: Equipment for Instructional Staff Services	<u>-</u>	
Net Instructional Staff Services		<u>92,983</u>

School Administration	304,441	
Less: Equipment for School Administration	<u>-</u>	
Net School Administration		<u>304,441</u>

Total General Fund Instructional Expenditures \$ 2,274,715

Total General Fund Equipment Expenditures \$ -

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ -
Renewable Ad Valorem Tax	-
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	-
Sales and Use Taxes	-
Total Local Taxation Revenue	<u>\$ -</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ -
Earnings from Other Real Property	-
Total Local Earnings on Investment in Real Property	<u>\$ -</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ -
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	<u>\$ -</u>

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

CRESTWORTH LEARNING ACADEMY, INC.
Baton Rouge, Louisiana

Education Levels of Public School Staff
As of October 1, 2011

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Bachelor's Degree	13	58.0%	1	100.0%	0	0.0%	0	0.0%
Master's Degree	0	19.0%	0	0.0%	0	0.0%	0	0.0%
Master's Degree + 30	4	23.0%	0	0.0%	2	100.0%	0	0.0%
Specialist in Education	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Ph. D. or Ed. D.	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	17	100.0%	1	100.0%	2	100.0%	0	0.0%

CRESTWORTH LEARNING ACADEMY, INC.
Baton Rouge, Louisiana

Number and Type of Public Schools
For the Year Ended June 30, 2012

Type	Number
Elementary	0
Middle/Jr. High	1
Secondary	0
Combination	0
Total	1

Note: Schools opened or closed during the fiscal year are included in this schedule.

CRESTWORTH LEARNING ACADEMY, INC.
Baton Rouge, Louisiana

Experience of Public Principals, Assistant Principals, and Full Time Classroom Teachers
As of October 1, 2011

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	0	1	0	0	0	1
Principals	0	0	1	0	0	0	0	1
Classroom Teachers	5	2	6	1	1	0	3	18
Total	5	2	7	2	1	0	3	20

CRESTWORTH LEARNING ACADEMY, INC.
Baton Rouge, Louisiana

Public School Staff Data
For the Year Ended June 30, 2012

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers Salary Including Extra Compensation	\$45,753.63	\$45,753.63
Average Classroom Teachers Salary Excluding Extra Compensation	\$45,601.69	\$45,601.69
Number of Teacher Full-Time Equivalents (FTEs) used in Computation of Average Salaries	18	18

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave; and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

CRESTWORTH LEARNING ACADEMY, INC.
Baton Rouge, Louisiana

Class Size Characteristics
As of October 1, 2011

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	0.0%	0	0.0%	0	0.0%	0	0.0%	0
Elementary Activity Classes	0.0%	0	0.0%	0	0.0%	0	0.0%	0
Middle/Jr. High	45.8%	49	44.9%	48	9.3%	10	0.0%	0
Middle/Jr. High Activity Classes	100.0%	39	0.0%	0	0.0%	0	0.0%	0
High	0.0%	0	0.0%	0	0.0%	0	0.0%	0
High Activity Classes	0.0%	0	0.0%	0	0.0%	0	0.0%	0
Combination	0.0%	0	0.0%	0	0.0%	0	0.0%	0
Combination Activity Classes	0.0%	0	0.0%	0	0.0%	0	0.0%	0

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

CRESTWORTH LEARNING ACADEMY, INC.
Baton Rouge, Louisiana

Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2012

School Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Mastery	5	4%	4	3%	0	0%	2	1%	1	1%	0	0%
Basic	51	38%	43	32%	35	26%	48	35%	44	33%	21	16%
Approaching Basic	61	45%	73	54%	66	50%	46	34%	52	39%	56	42%
Unsatisfactory	19	14%	15	11%	32	24%	40	29%	38	28%	56	42%
Total	136	101%	135	100%	133	100%	136	99%	135	101%	133	100%

School Achievement Level Results	Science						Social Studies					
	2012		2011		2010		2012		2011		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Mastery	4	3%	1	1%	0	0%	1	1%	0	0%	0	0%
Basic	28	21%	25	19%	17	13%	28	21%	19	14%	19	15%
Approaching Basic	43	32%	48	36%	46	35%	47	35%	45	34%	28	22%
Unsatisfactory	59	44%	60	45%	67	52%	59	44%	70	52%	82	64%
Total	134	100%	134	101%	130	100%	135	101%	134	100%	129	101%

Note: Crestworth Learning Academy is a middle school, therefore 4th grade achievement level results does not apply.

CRESTWORTH LEARNING ACADEMY, INC.
Baton Rouge, Louisiana

Graduation Exit Exam
For the Year Ended June 30, 2012

District Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced												
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic												
Approaching Basic												
Unsatisfactory												
Total												

District Achievement Level Results	Science						Social Studies					
	2012		2011		2010		2012		2011		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced												
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic												
Approaching Basic												
Unsatisfactory												
Total												

Note: Crestworth Learning Academy is a middle school, therefore this schedule does not apply.

CRESTWORTH LEARNING ACADEMY, INC.
Baton Rouge, Louisiana

The iLEAP Tests
For The Year Ended June 30, 2012

iLEAP Tests

School Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced								
Mastery								
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic								
Unsatisfactory								
Total	0	0%	0	0%	0	0%	0	0%

School Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced								
Mastery								
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic								
Unsatisfactory								
Total	0	0%	0	0%	0	0%	0	0%

School Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	0	0%	1	1%	0	0%	0	0%
Mastery	3	2%	3	2%	3	2%	0	0%
Basic	48	33%	58	40%	35	24%	27	19%
Approaching Basic	64	44%	35	24%	67	46%	49	34%
Unsatisfactory	31	21%	49	34%	40	28%	69	48%
Total	146	100%	146	101%	145	100%	145	101%

School Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	2	2%	0	0%	0	0%	0	0%
Mastery	2	2%	4	4%	3	3%	2	2%
Basic	39	36%	40	37%	24	22%	52	49%
Approaching Basic	44	41%	37	35%	50	47%	36	34%
Unsatisfactory	20	19%	26	24%	30	28%	17	16%
Total	107	100%	107	100%	107	100%	107	101%

Note - Crestworth Learning Academy is a middle school, therefore grades 3, 5, and 9 achievement level results do not apply. Also, the Academy was not in operations during the 2009 academic year, therefore no achievement level results are presented for that year.

(Continued)

CRESTWORTH LEARNING ACADEMY, INC.
Baton Rouge, Louisiana

The iLEAP Tests
For The Year Ended June 30, 2012

iLEAP Tests

School Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced								
Mastery								
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic								
Unsatisfactory								
Total	0	0%	0	0%	0	0%	0	0%

School Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced								
Mastery								
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic								
Unsatisfactory								
Total	0	0%	0	0%	0	0%	0	0%

School Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	1	1%	0	0%	1	1%	1	1%
Basic	26	26%	46	46%	16	16%	12	12%
Approaching Basic	45	45%	23	23%	51	52%	33	33%
Unsatisfactory	28	28%	31	31%	31	31%	53	54%
Total	100	100%	100	100%	99	100%	99	100%

School Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	6	4%	1	1%	3	2%	4	3%
Basic	49	33%	50	34%	34	23%	56	38%
Approaching Basic	61	41%	48	32%	63	43%	50	34%
Unsatisfactory	33	22%	50	34%	48	32%	39	26%
Total	149	100%	149	101%	148	100%	149	101%

Note - Crestworth Learning Academy is a middle school, therefore grades 3, 5, and 9 achievement level results do not apply. Also, the Academy was not in operations during the 2009 academic year, therefore no achievement level results are presented for that year.

(Continued)

CRESTWORTH LEARNING ACADEMY, INC.
Baton Rouge, Louisiana

The iLEAP Tests
For The Year Ended June 30, 2012

iLEAP Tests

School Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced								
Mastery								
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic								
Unsatisfactory								
Total	0	0%	0	0%	0	0%	0	0%

School Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced								
Mastery								
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic								
Unsatisfactory								
Total	0	0%	0	0%	0	0%	0	0%

School Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	1	1%	0	0%	1	1%	0	0%
Basic	16	23%	13	18%	14	20%	10	14%
Approaching Basic	32	45%	18	25%	24	34%	25	35%
Unsatisfactory	22	31%	40	56%	32	45%	36	51%
Total	71	100%	71	99%	71	100%	71	100%

School Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	1	1%	0	0%	0	0%	0	0%
Mastery	0	0%	0	0%	1	1%	0	0%
Basic	10	13%	21	27%	10	13%	18	23%
Approaching Basic	42	55%	31	40%	43	56%	30	39%
Unsatisfactory	24	31%	25	32%	23	30%	29	38%
Total	77	100%	77	99%	77	100%	77	100%

Note - Crestworth Learning Academy is a middle school, therefore grades 3, 5, and 9 achievement level results do not apply. Also, the Academy was not in operations during the 2009 academic year, therefore no achievement level results are presented for that year.

(Concluded)